

## HUMAN SERVICES DEPARTMENT[441]

### Notice of Intended Action

**Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”**

**Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.**

Pursuant to the authority of Iowa Code section 249A.4 and 2013 Iowa Acts, Senate File 446, section 12, the Department of Human Services proposes to amend Chapter 77, “Conditions of Participation for Providers of Medical and Remedial Care,” Chapter 78, “Amount, Duration and Scope of Medical and Remedial Services,” Chapter 79, “Other Policies Relating to Providers of Medical and Remedial Care,” and Chapter 88, “Managed Health Care Providers,” Iowa Administrative Code.

These amendments transfer administrative responsibility for Medicaid habilitation to the contractor for the Iowa Plan for Behavioral Health and integrate targeted case management into integrated health homes for members with chronic mental illness. Additionally, these amendments change the reimbursement method for case management services under habilitation waivers.

Habilitation services are currently administered separately from all other behavioral health care. As a result, the amount, scope, and duration of these services are not effectively aligned with other behavioral and physical health care services. On average, individuals with serious mental illness die 25 years earlier than the general public (based on a 16-state pilot study on mental health performance measures). Providing coordinated physical and behavioral health care should improve access to all services to achieve the best outcomes for individuals. In addition, expenditures for habilitation services have increased 120 percent in the past five years, with no definitive improvement in overall quality of life outcomes.

The transitions implemented by these amendments will not affect individuals who need habilitation services. Individuals served will still receive their habilitation services. They may experience a change in their care coordination with the shift of habilitation case management to integrated health homes. The goal will be to improve measurable outcomes for individuals and their families.

A portion of habilitation case management services are currently managed by Magellan. Other case management for habilitation is managed by the Iowa Medicaid Enterprise (IME). Habilitation case management managed by IME will be transitioned to Magellan as a result of these amendments. Habilitation case management will continue with little change until the transition of case management to care coordination through integrated health homes is complete.

As a result of these amendments, habilitation service providers will see little change:

- Magellan will be contracting with habilitation providers, using the same provider requirements in place today. Providers should contact Magellan for information about contracting.
- Magellan will use the current rates set for habilitation providers until standardized rates are developed for habilitation services. Similar to what was done with behavioral health intervention services, Magellan will create a workgroup to collaborate with providers during the next six months to develop a standardized reimbursement rate for habilitation services.
- Magellan will honor all prior authorizations approved before July 1, 2013. After that date, authorizations will be submitted to and approved by Magellan.
- IME will continue to implement habilitation HCBS quality assurance requirements, such as the provider self-assessment and incident reporting.

These amendments were also Adopted and Filed Emergency and are published herein as **ARC 0848C**. The purpose of this Notice is to solicit comment on that submission, the subject matter of which is incorporated by reference.

Any interested person may make written comments on the proposed amendments on or before August 13, 2013. Comments should be directed to Harry Rossander, Bureau of Policy Coordination, Department of Human Services, Hoover State Office Building, Fifth Floor, 1305 East Walnut Street, Des Moines, Iowa 50319-0114. Comments may be sent by fax to (515)281-4980 or by e-mail to [policyanalysis@dhs.state.ia.us](mailto:policyanalysis@dhs.state.ia.us).

These amendments do not provide for waivers in specified situations because requests for waiver of any rule may be submitted under the Department's general rule on exceptions at 441—1.8(17A,217).

These amendments will have an impact on private sector jobs. Case management for habilitation members will be phased out as integrated health homes are phased in. However, the integrated health home will be responsible for the care coordination for the member and will be hiring individuals to fulfill that role.

These amendments are intended to implement Iowa Code section 249A.4.